

9 December 1975

MEMORANDUM FOR:

SUBJECT :

STATINTL

Larry:

1. This is just a note to make a matter of record the fact that [redacted] called me at 1745 on this date. [redacted] was on the line with him when he called.

STATINTL

2. Bill asked what caused the dramatic position taken in the TWX on 6 December 1975. He was told that the "dramatic position" was intended to convey the seriousness of the Government's concern over reported failures at PSAT and deviation from specifications as stated in the TWX.

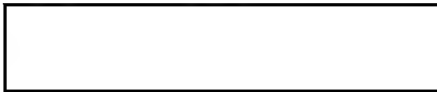
3. Bill then said that at the last management meeting [redacted] had exposed itself in that it had stated outright that it did not expect to pass PSAT. He was told that, as indicated in the TWX, the Government is concerned about the possibility of [redacted] being able to provide a working system within contract time requirements.

STATINTL

4. Bill said that time was the problem and that he felt completion would require more than a month extra time and less than a year. He went on to say that they had been attempting to find reasonable ground for going forward without being concerned with playing "one upmanship" with the contract. He went on to complain that we have come down very hard on [redacted] has been expected to overlook failure by the Government to meet its responsibilities under the contract. He specifically referred to failure by the Government to furnish test procedures to [redacted] for approval prior to PSAT.

STATINTL

SUBJECT: Contract No



STAT

5. Bill was told that the duties of the parties are spelled out in the contract and that no party is less bound than the other. He also was told that the Contracting Officer has no alternative to enforcing the terms of the contract and that the contracting officer would be the focal point for future communications.

*(Handwritten initials)*



STATINTL

Chief

Procurement Management Staff, OL

STATINTL

cc:



Harry Fitzwater

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Approved For Release 2002/08/15 : CIA-RDP83T00573R000500080004-8

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